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### **U.S. Wins WTO Case on High Fructose Corn Syrup**

WASHINGTON--Mexico's imposition of antidumping duties on imports of high fructose corn syrup (HFCS) from the United States is inconsistent with the requirements of the World Trade Organization (WTO) Antidumping Agreement, according to a WTO ruling issued today. A WTO dispute settlement panel ruled that the steps Mexico had taken to comply with an earlier adverse WTO panel ruling were insufficient. The panel agreed with the U.S. view that Mexico failed to cure the flaws already found in its original determination.

Mexico had found that HFCS imports threatened material injury to Mexico's sugar industry. The panel upheld U.S. arguments that Mexico's determination is inconsistent with the Antidumping Agreement. In particular, the panel concluded that the facts did not support Mexico's conclusion that HFCS imports were likely to increase significantly. The panel also ruled that Mexico had inadequately analyzed the likely impact of HFCS imports on the Mexican sugar industry.

#### **Background**

In January 1998, Mexico's antidumping authority determined that imports of HFCS -- a sweetener used in soft drinks and other products -- from the United States were being dumped in the Mexican market and these imports threatened material injury to the Mexican sugar industry. The United States requested the formation of a WTO panel to review Mexico's determination.

The WTO Antidumping Agreement allows dumping duties to be imposed only if dumping and injury (including a threat of injury) to the domestic industry are established. The focus of the U.S. challenge was that Mexico's threat of injury analysis was flawed in several respects.

In January 2000, the panel issued its decision. The panel found that Mexico had not properly determined that HFCS imports were likely to increase significantly. The panel also concluded that Mexico had not properly analyzed the likely impact of HFCS imports on the Mexican sugar industry.

In September 2000, the Mexican antidumping authority issued a new determination that purported to comply with the panel's rulings. The Mexican antidumping authority again concluded that HFCS imports threaten the Mexican sugar industry. The United States challenged Mexico's redetermination, which led to today's issuance of the panel's report.

The panel's report is posted on the WTO website ([www.wto.org](http://www.wto.org)). USTR's briefs submitted to the panel in the case are available at [www.ustr.gov/enforcement/briefs](http://www.ustr.gov/enforcement/briefs).

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